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SUBJECT: WHA/CEN DEPUTY DIRECTOR FOCUSES ON MERIDA INITIATIVE AND
POLITICAL CHALLENGES DURING VISIT TO GUATEMALA

CLASSIFIED BY: Stephen G. Mcfarland, Ambassador, DoS, EXEC; REASON:
1.4(B), (D)

11. (SBU) A variety of interlocutors described Guatemala's deteriorating security situation, rampant corruption, and the GoG's struggle against increasing narco-trafficking to WHA/CEN Deputy Director David Wolfe during a November 18-21 visit. MOD Valenzuela reiterated his support for a professional police academy for PNC officers to better support the fight against trafficking. MOG Velasquez, who shared the MOD's concerns regarding the influence of drug traffickers, touted the USG's model precinct project in Villa Nueva and our helicopter program. Civil society and business community representatives lamented Guatemala's weak institutions and widespread impunity. Wolfe also discussed Guatemala's political challenges with and heard projections for the 2011 presidential race from political party leaders. End Summary.

GOG OFFICIALS TOUT PROGRESS, EXPRESS GRATITUDE FOR USG ASSISTANCE

12. (C) Wolfe met with the Minister of Defense, General Abraham Valenzuela, to discuss security issues and the role of the Guatemalan military. Valenzuela asserted that, despite the history of Guatemala's civil conflict, the military currently enjoys greater public credibility than the National Civil Police (PNC), a claim he supported with the fact that additional military security outposts have been requested to supplement local police presence 98 times in the past year. However, he noted that while the PNC is widely considered to be corrupt and inept, the military has successfully cooperated with police counterparts in the past. To build on this success, Valenzuela advocated for the establishment of a professional police academy for PNC officers that would produce top leadership, rather than promoting leadership from the rank and file police officer corp. Coordination with regional military entities have been limited at best. While Wolfe praised the limited regional coordination cited by Valenzuela, he emphasized that one of the key goals of the Merida Initiative is to regionalize programs and improve international coordination amongst Merida partners. Valenzuela also outlined several of his own ideas to improve security, including: establishing a system to easily identify legally registered weapons in Guatemala by engraving them with the letters "GUA," and improving transparency by posting all of the military's financial transactions on the website of the Ministry of Finance. Finally, Valenzuela expressed appreciation for USG support of the Naval Special Forces Unit (FEN) and the Army's Special Operations and Interdiction Unit (GEIR).

13. (C) Minister of Government Raul Velasquez shared his concerns regarding the influence of drug trafficking organizations in Guatemala, noting that 41 percent of murders were linked to narcotics activity. Velasquez acknowledged that criminal organizations have infiltrated the PNC and prison system, but under his leadership, the police are starting to take action. Recent successes include: the capture of large amounts of drugs and the opening of the new high-security jail in Fraijanes. Fraijanes has allowed police to target 128 heads of criminal organizations that are currently serving prison sentences, identify and capture collaborators inside and outside the jails, and then transfer the leaders to a facility where they are unable to direct further criminal activity. The police executed a U.S. arrest warrant

against the Lorenzana drug family and encouraged the USG to pursue additional warrants against known drug traffickers in Guatemala. Velasquez expressed confidence in and a good working relationship with the Attorney General, but was concerned that the justice sector was extremely weak and it was hard to trust judges in Guatemala, therefore extradition to face trial in the U.S. was a better solution. He believed that the model precinct program in Villa Nueva supported by NAS was working well and was pushing for the model to be replicated in Mixco by the end of December. Velasquez also stated that the NAS helicopter program provided mobility for police forces to quickly deploy against drug traffickers.

CIVIL SOCIETY CITES IMPUNITY AND WEAK INSTITUTIONS AS IMPEDIMENTS TO CHANGE

14. (SBU) Wolfe attended a lunch hosted by the Ambassador for business and human rights leaders. Both groups agreed that weak institutions and impunity remain among Guatemala's most pressing problems, but had divergent views on the priorities for addressing them. Helen Mack, Director of the Myrna Mack Foundation, argued that the problem of impunity is a legacy of the internal conflict and the state's failure to adequately address the era's gross human rights abuses. She asserted that, without a functioning justice system, protecting human rights would remain a problem in Guatemala and that, at present, "vested interests" lack interest in reforming the system. Irma Velasquez Nimantuj, a leading indigenous rights leader and journalist, claimed that the GoG lacked an agenda to unite the urban and rural populations and had failed to develop an adequate plan to address the needs of impoverished indigenous peoples. The business community, however, viewed the problems' roots and solutions differently. Carlos Amador, Vice President of

CACIF, argued that increased taxes and spending would not solve the problems of Guatemala's poor, but rather, improvement lay in combating endemic government corruption, building effective institutions, and enhancing transparency. Roberto Ardon, CACIF's Executive Director, was similarly wary of any new government spending plans, claiming that, with two years left in President Colom's administration, Congress had already entered into a pre-electoral period where political considerations motivate fiscal decisions. Ardon also expressed the business community's deep concern about the impact of Honduras' continuing political impasse on regional trade and integration efforts.

CICIG SEES PROGRESS, HOPES TO ESTABLISH US OFFICE

15. (C) Wolfe met with CICIG Commissioner Carlos Castresana, who stated that the rule of law situation in Guatemala is grave, with some areas of the country already lost to narco-traffickers, but noted that several GOG institutions are reacting to the crisis and their efforts need to be reinforced. He stressed that the GOG's investment of 1.3 percent of its GDP on security and rule of law was grossly inadequate. Castresana noted that the leadership in the Public Ministry (equivalent to the Justice Department) successfully strengthened the prosecutors' offices for organized crime, anti-narcotics and CICIG, but that the remaining career staff in the Ministry remained inefficient and corrupt. The special units in the Public Ministry are overwhelmed by casework, and the recently-created telephone listening office is utilizing all 30 lines available, but lacked adequately qualified personnel. The prison system was recently enhanced by the creation of a high-security facility, but additional facilities were required. Castresana also discussed CICIG's progress on re-locating its data center and back-up office to the United States. He thought that he had found a tenable solution to some of the pending legal challenges by having all staff hired through the United Nations' personnel system. Pol/Econ Counselor described the considerable effort that would be required by the State Department if CICIG's staff were not under the UN system, including having to ask Congress to establish the necessary legal framework for CICIG to operate in the US. In turn, Castresana expressed his expectation that CICIG's funding would remain in place for the foreseeable future, making the effort worthwhile.

CONGRESSMEN DESCRIBE POLITICAL SCENE, HANDICAP 2011 PRESIDENTIAL RACE

16. (C) Wolfe and Pol/Econ Counselor met with presidential candidate Harold Caballeros, a U.S.-educated preacher who leads the rightist

VIVA (Vision and Values) Party. Caballeros said that despite the party's evangelical origins, it is a secular, grass roots movement that appeals to Guatemalans of all faiths, and is funded by micro-contributions from its members. The party's platform calls for individual responsibility, respect for private property, attention to social needs, rebuilding the country's rule of law institutions, and fighting crime. In response to Caballeros' query, Wolfe said the USG might consider increasing counternarcotics and other rule of law assistance to a future GOG that demonstrated greater political will in confronting organized crime. Caballeros lauded the work of the International Commission Against Impunity in Guatemala (CICIG), and said the international community would find a strong partner in a VIVA government. Caballeros predicted that rightist General Otto Perez Molina of the Patriot Party would receive the most votes in the first round and advance to the second round of the 2011 presidential election, and anticipated that his main competition to finish second and advance to the final round would be First Lady Sandra Torres de Colom.

¶17. (C) Two senior Congressional Deputies, Independent Oliverio Garcia and GANA's Jorge Mendez Herbruger, told Wolfe that the First Lady's presidential aspiration was placing the governing UNE party under strain, as members grappled with her intention to align the GOG with the Latin American populist left. That same aspiration was also placing the government's congressional alliance under strain as current partners considered whether to stick with the governing UNE as it veered left. Both were dismissive of the First Lady's chances, provided rightist candidates announce their intention to continue her Conditional Cash Transfer (CCT) program, "My Family Progresses." Both deputies suspected that, while Finance Minister Fuentes Knight seems to be making a genuine effort to develop and pass the 2010 budget, the First Lady is working behind the scenes to ensure the budget does not pass Congress. In such a case, the country reverts to the 2009 budget, which would be in her interest because it is a bigger budget and has no "locks" inhibiting the movement of money among government accounts. This would allow her to increase CCT transfers to the poor ahead of the 2011 election. Both deputies said that, while the Merida Initiative is appreciated, it is unlikely to find much traction given the current GOG's lack of will to improve security.

¶18. (SBU) During a breakfast with UNE Deputy and Congressional First Secretary Christian Boussinot, Boussinot outlined his views on the developing presidential race to Wolfe. Boussinot described First Lady Sandra Torres de Colom as intensely focused on building the political base necessary to win the 2011 elections. He noted that Torres was using, My Family Progresses to build political support. Boussinot said Torres' goal was to sign up half (6.5 million) of all Guatemalans to her social programs by the election. If only one million of these voted for her, she would win the race. Wolfe noted that finding funding for such a large expansion of the programs would be difficult. Boussinot agreed and went on to note weaknesses in other candidates. The current leading candidate, Otto Perez Molina of the Patriot Party, had a weak rural base; Manuel Baldizon of the LIDER bench in Congress was well organized but had yet to stake out his electoral principles; Harold Caballeros of the recently formed VIVA party had too small an organization to mount a serious candidacy and likely candidates Eduardo Suger (CASA) and Alejandro Giamattei (GANa) would get only marginal support in the election. (Note: Boussinot is a more conservative member of the ruling UNE party and does not support the First Lady's candidacy. End Note)

¶19. (SBU) Congressman Valentin Gramajo, a leading member of the Patriot Party (PP) met with Wolfe and admitted that the party's strong fisted (mano dura) approach to security issues failed to resonate with rural voters in the 2007 presidential elections. He said that the PP is working to expand its policy focus and to develop policies that address the needs of rural voters in preparation for what would likely be another run for the presidency by retired General and current Patriot Party Congressman, Otto Perez Molina.

NAS AND USAID PROJECTS IN VILLA NUEVA

¶10. (U) Wolfe toured the NAS-funded model police precinct and the USAID-supported 24-hour court in the high-crime Guatemala City suburb of Villa Nueva. Initiated in 2004, the model police

precinct, which employs a community policing approach, is the center-piece of a top-to-bottom reform of all parts of the Guatemalan justice sector in Villa Nueva. The model precinct integrates the operations of police officers, investigators, and some social services, such as counseling for female victims, into a single, efficient system and has increased quality investigation, leading to better indictments and a substantial increase in convictions. The overall result is a marked decrease in crime within the jurisdiction. The implementation of basic and saturation patrolling techniques, oriented toward integrating police into the community, has been very successful in crime prevention, particularly those crimes associated with schools and businesses. The success of the Villa Nueva model precinct has led to its replication in Mixco, a neighboring community where an installation will open in mid-December.

¶11. (U) The USAID-supported 24-hour First Instance Criminal Court ensures that suspects can be arraigned regardless of the hour of day or night, and enhances transparency and efficiency in the justice sector. The 24-hour court has the authority to hold hearings with detainees, order pre-trial detention or bail, and order arrest and search warrants, allowing individuals to be charged within six hours of being detained, as required by Guatemalan law. The 24-hour court has reduced arbitrary pre-trial detention and the number of cases dismissed for lack of merit (now only eight percent).

¶12. (U) This cable has been cleared by WHA/CEN Deputy Director David Wolfe.
MCFARLAND